

**A WORKSHOP ON URBAN RESETTLEMENT:
ASSISTING INFORMAL DWELLERS**

25-26 July 2000

WORKSHOP PROCEEDINGS

**Social Development Division
Office of Environment and Social Development
Asian Development Bank, Manila
August 4, 2000**

**By: Pramod Agrawal
Consultant, Urban Planner and Social Scientist**

The views expressed in this paper are those of the author and do not necessarily reflect the views or policies of the Asian Development Bank. The Asian Development Bank does not guarantee the accuracy of the data presented.

Workshop on Urban Resettlement Assisting Informal Dwellers

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Executive Summary

The workshop on 'Urban Resettlement: Assisting Informal Dwellers' was conducted on July 25-26, 2000 at the ADB's Headquarter in Manila. The objective of the workshop was to facilitate exchange of experiences and ideas between the NGOs, private sector representatives and the project authorities from three projects that are being financed, or partly financed, by the ADB, with issues relating to informal dwellers. Major focus of deliberations was on the rights and entitlements of informal dwellers to compensation and resettlement assistance, partnership development between key stakeholders, and public participation and consultation in project preparation. Major recommendations of the workshop include:

- Resettlement policies and strategies designed for resettlement of informal dwellers must ensure a minimum package of assistance providing security of tenure and a better living environment on the basis of sustainable development.
- Involvement of community organizations is absolutely important in resettlement policy formulation and project planning, design and implementation. Therefore, project timeline must be flexible to facilitate emergence of community organizations and public consultative process reflecting people's perception and choices. Appraisal in a project should not take place until community organizations are in place and consensus is reached in identifying people's needs, priorities and acceptable strategies through a consultative process.
- Since emergence of community organization and public consultative process takes time, these upstream activities should begin in advance as soon as projects are identified in the Country Assistance Programs.
- Multilateral agencies should set up special funds for social preparation that could be accessible to community-based organizations for public consultation and participatory process to emerge and for hiring of NGOs, where necessary.

The workshop concluded with specific suggestions on the need to establish networks between the NGOs and project authorities for exchange of ideas and sharing of experiences, and for similar workshops in other countries to enable participation of more countries to learn from other projects. The participants from Philippines made specific request to ADB for assistance to enable them to visit the Mumbai Urban Transport Project (MUTP) and to learn from the excellent works done by SPARC, the NGO associated with the MUTP, in mobilizing the community resources and public participation for resettlement.

Workshop on Urban Resettlement Assisting Informal Dwellers

1. Introduction

The consultative workshop on urban resettlement was organized by the Social Development Division of the Office of Environment and Social Development, Asian Development Bank (ADB), at the ADB's Headquarter in Manila. The workshop took place over two days, July 25-26, 2000. The participants for the workshop included government officials from Bombay and Calcutta from India and from National Housing Authority and Pasig River Rehabilitation Commission in the Philippines; NGO groups from India and the Philippines; representatives from universities, church groups and private sector in the Philippines; and professional staff from the ADB's operations departments. Mr. Warren Waters, the Resettlement Coordinator from South Asia Social Development Sector (SASSD), World Bank and Mr. Gerard Howe, Social Development Advisor, Department of International Development (DFID), India, also attended the workshop.

2. Objectives of the Workshop

ADB is currently financing the Pasig River Development Project in the Philippines that will displace about 10,000 households under the ADB financed component. ADB is also in the process of approving a loan for the Calcutta Environment Improvement Project that will most likely displace up to 15,000 persons. These and other ongoing and proposed urban development projects have very serious urban resettlement issues in terms of policy application and entitlements for affected informal dwellers. Mumbai Urban Transport Project in India also has a very significant number of informal dwellers that will be affected by the project. Therefore, the main objective of the workshop was to facilitate the exchange of ideas and sharing of experiences from the three projects having the resettlement of informal dwellers in common but apparently different approaches to address them.

Another objective of the workshop was to learn from each others experiences to arrive at a more humane, fair and just policy and approaches to urban resettlement of informal dwellers and to determine the 'minimum assistance requirements' for informal dwellers and good practice approaches in the context of the ADB's involuntary Resettlement Policy.

Social Development Division in the ADB is currently reviewing its Policy on Involuntary Resettlement and the Operational Manual section. One of the objectives of the workshop was to feed the recommendations of the workshop on urban resettlement into the ongoing ADB's Policy review and revision of the OM section.

3. Summary of the Proceedings

3.1 Inaugural Session

In his opening remarks Dr. K F Jalal, Chief, Office of Environment and Social Development, ADB welcomed all the participants to the workshop and drew their attention to the problems of involuntary resettlement of informal settlers who do not have any legal rights to the land they occupy. The demand for improved services and public facilities in urban areas

often results in the displacement of informal settlers causing severe social and economic adverse impacts. The problem is exacerbated when local laws and regulations do not recognize the rights and entitlements of informal settlers making them most vulnerable. Dr. Jalal informed the participants that the practical recommendations of the consultative forum would provide useful inputs into the ongoing review of the ADB's Involuntary Resettlement Policy as well as bring in good practice examples that the participants would take back to their workplace.

3.2 Session I: Urban Resettlement Perspectives, Strategies, and Approaches

The first session focused mainly on the policy and legal issues relating to the problems of informal settlers, including their rights and entitlements, and the lessons learned from the World Bank and the ADB experiences. Both the World Bank's OD 4.30 and the ADB's Involuntary Resettlement Policies emphasize that the people affected by a project should be able to improve, or at least be as well off after the project as without it. The policies also specify that the absence of legal title to land should not be a bar to compensation for lost assets and that the compensation, or 'rehabilitation assistance', for their lost assets should be in amounts sufficient to replace affected assets and restoration of incomes and living standards. The commitments to the policy provisions are also based on poverty reduction objectives and treating resettlement as an entry point for sustainable development. Consultative process between key stakeholders and community participation should form an integral part of project planning, design and implementation. The experience from ADB projects highlight incompatibility between the time and resources required for effective public consultation and community participation in project preparation, and the timeline for ADB's internal project process cycle.

The session was chaired by Mr. Arjun Thapan, Manager, Water Supply, Urban Development and Housing Division (West) of the ADB.

3.3 Session II: The Philippines experience

The first paper in the second session focused on the heterogeneous economic and social characteristics of informal dwellers and argued that the resettlement policies and assistance should match people's diverse needs and priorities. Resettlement policies should be based on the principle of matching systemic causes with systemic responses and should be replicable, sustainable and consistent. The second paper described settlers' perceptions and experiences based on newly completed resettlement sites. Many respondents experienced a sense of anxiety and uncertainty due to the lack of consultation and information dissemination by project authorities. Households relocated at far-off sites from Metro-Manila have complained of having to spend a comparatively large proportion of their household incomes on transport, lack of job opportunities in the vicinity of the resettlement sites, at least in the short-term, and of very high amortization rates. The third presentation in this session regarding the Pasig River Rehabilitation Project provided resettlement policy provisions for relocation of the project affected informal dwellers. Major thrust of the resettlement policy is to relocate affected households to one of the five selected resettlement sites preferred by the affected households, only one of which lies within Metro-Manila area, with the provision of developed plot and housing unit at cost recovery basis (with subsidy), in addition to the transport, education, food and livelihood assistance.

The session was chaired Mr. Asad Ali Shah, Manager; Water Supply, Urban Development and Housing Division (East) of the ADB.

3.4 Session III: The Indian Experience

The first presentation in this session provided information on the progressive R&R policy adopted for the Mumbai Urban Transport Project in India which provides for a free self-contained tenement unit to every project affected informal dweller within the vicinity of the existing location thereby ensuring continued employment of affected persons in their present job and access to the city's public facilities and services. Additionally, the policy provides for a lump sum cash compensation to cover loss of income in case of permanent loss of source of income, and for extra travel due to relocation. The resettlement policy and the development strategy are developed with effective participation of the NGOs and the community. The second presentation described in details the innovative approach adopted in the above project as well as for other slum rehabilitation projects for participation of private sector in the rehabilitation of the informal dwellers. The main feature of this approach is the provision of incentives to the promoter to construct tenements for resettlement of informal dwellers in exchange for a higher Floor Space Index which could be used for development of the land released from the squatter settlements or in other parts of the city, or could be sold in the market as Transferable Development Rights (TDR). The presentation on the Kanjur Marg Voluntary Resettlement Project demonstrates that with a favorable policy environment, women-centered community participation, and equal partnership between the key stakeholders complex problem of urban resettlement can be addressed very effectively. The experience from informal dwellers' resettlement projects in Calcutta suggests that in projects with active participation by NGOs and the community a strong sense of ownership can emerge and people are able to improve their living conditions and incomes significantly. The experience also suggests that the resettlement strategies must be integrated with community development and income generation activities. The last presentation in this session emphasized the importance of an integrated approach to resettlement of informal dwellers in Calcutta, incorporating rationalization of engineering aspects of canal designs, and the needs and priorities of the informal dwellers in order to minimize the impacts and maximize the benefits.

The session was chaired by Mr. Arjun Thapan, Manager, Water Supply, Urban Development and Housing Division (West) of the ADB.

3.5 Session IV: Essential Requirements for Informal Settlement- suggestions from Field Practitioners and Policymakers

Participants endorsed the objectives of the ADB's Involuntary Resettlement Policy and indicated that in general, the national laws and regulations do not present any conflict in achieving the above objectives. Resettlement policies must be sustainable, consistent and replicable and relocation strategies must be formulated in consultation with the affected communities. The resettlement strategies must ensure a better living environment and security of tenure to project affected persons and that any relocation to resettlement sites must ensure opportunities for sources of incomes in proximity to the place of residence. Project timeline must be flexible to ensure emergence of community organizations reflecting people's perception and choices. Appraisal of a project should not take place until community organizations are in place and are effective. In any project the key stakeholders must be identified and their roles defined at the initial stages of the project preparation. The participants also emphasized the need for necessary support to enable stakeholders play their defined roles. It was suggested that multilateral agencies set up a separate fund for social

preparation accessible to community based organizations for public consultation and participatory process to emerge, and for hiring of NGOs where necessary.

The session was chaired by Anita Kelles-Viitanen, Manager, Social Development Division, ADB

4. Summary of Recommendations

Specific recommendations by the participants include the following:

1. Participants fully endorsed the objectives of the ADB's Involuntary Resettlement Policy and stressed that the national laws and regulations, particularly in the Philippines, generally do not present any conflict in achieving the above objectives.
2. The resettlement policy and designed strategies must provide a better living environment and security of tenure to project affected persons and that any relocation to resettlement sites must ensure opportunities for sources of incomes in proximity to their place of residence.
3. Involvement of community organizations is absolutely important in resettlement policy formulation and project planning, design and implementation. Therefore, project timeline must be flexible to facilitate emergence of community organizations and public consultative process reflecting people's perception and choices.
4. Appraisal of a project should not take place until community organizations are in place and are effective and until the public organization are able to arrive at consensus regarding their needs, priorities and acceptable strategies.
5. Since emergence of community organization and the public consultative process take time, these upstream activities should begin in advance as soon as projects are identified in the Country Assistance Programs.
6. Participants emphasized the need for necessary financial support to enable stakeholders play their defined roles. Multilateral agencies should set up special funds for social preparation that could be accessible to community-based organizations for public consultation and participatory process to emerge and for hiring of NGOs where necessary.

5. Closing Remarks

Anita Kelles-Viitanen, Manager, Social Development Division, in her closing remarks stressed that:

- Equal partnership between the key stakeholders and change in attitude, from mutual suspicion to alliance, is necessary for successful partnership development, and building trust and confidence is the first step in having a good partnership;
- Sustainable development is possible only through people's involvement;
- To address the problem of informal dwellers a minimum package of assistance, including security of tenure, is necessary. Additional assistance should be provided to 'vulnerable' groups;

- Development assistance needs to be supported by policy / legal provisions for informal dwellers; and
- The establishment of network between the NGO groups in India and the Philippines is an extremely important development and similar network approaches should be promoted with other groups to enable sharing of experiences on complex issues such as urban resettlement and informal dwellers.

With these remarks the workshop was declared close.

Attachment A

**Workshop on Urban Resettlement
Assisting Informal Dwellers**

**ADB Headquarters
Display and Briefing Rooms
Room No. 1930 W**

25-26 July 2000

**WORKSHOP PROGRAMME
Day 1, 25 July 2000**

8:00 — 8:30	Registration	
8:30 — 8:40	Opening Remarks	Kazi F. Jalal Chief, Office of Environment and Social Development, ADB

**Session I:
Urban Resettlement Perspectives, Strategies, and Approaches**

Chair:	Arjun Thapan Manager, Water Supply, Urban Development, Housing Division (West), ADB	
Rapporteur:	Pramod Agrawal, Consultant, and SOCD Staff	
8:40 — 9:00	Issues on Informal Dwellers	Anita Kelles-Viitanen Manager, Social Development Division, ADB
9:00 — 9:30	Lessons from the World Bank Experience	Warren Waters World Bank
9:30 — 10:00	Discussion	
10:00 — 10:15	Tea Break	
10:15 — 10:45	Lessons from ADB	Graham Jackson Senior Project Engineer, ADB
10:45 — 11:15	Legal Issues, ADB Policy, and DMC Legislation—Do Informal Dwellers Have Rights?	Arjun Goswami Counsel, Office of the General Counsel, ADB
11:15 — 11:45	Discussion	
11:45 — 1:30	Lunch (PDR 2)	

**Session II:
The Philippine Experience**

Chair:	Asad Ali Shah Manager, Water Supply, Urban Development and Housing Division (East), ADB	
Rapporteur:	Pramod Agrawal, Consultant	
1:30 — 2:00	Policy, Legal and Institutional Issues and Challenges on the Resettlement of Urban Informal Dwellers in the Philippines	Karina Constantino-David University of the Philippines
2:00 — 2:30	Discussion	
2:30 — 3:00	Informal Settlers' Perceptions and Experiences of Resettlement: Some Cases from the Philippines	Anna Marie A. Karaos Executive Director Institute of Church and Social Issues
3:00 — 3:30	Discussion	
3:30 — 3:45	Tea Break	
3:45 — 4:15	Resettlement Planning for the Pasig River Rehabilitation Project	Bingle B. Gutierrez Executive Director Pasig River Rehabilitation Commission, Philippines
4:15 — 4:45	Discussion	
4:45 — 5:00	Wrap Up	Pramod Agrawal Consultant

Day 2, 26 July 2000

**Session III
The Indian Experience**

Chair:	Arjun Thapan Manager, Water Supply, Urban Development, Housing Division (West), ADB	
Rapporteur:	Pramod Agrawal, Consultant	
8:30 — 8:45	Day 2 agenda and expectations	Pramod Agrawal
8:45 — 9:15	Mumbai Urban Transport Project	U.P.S. Madan Project Director, Mumbai Urban Transport Project, Mumbai Metropolitan Region Development Authority, India
9:15 — 9:30	Discussion	
9:30 — 9:45	Tea Break	

9:45 — 10:30	Mumbai's Approach to Resettlement of Informal Dwellers—Emerging Challenges	Gautam Chatterji Assistant Municipal Commissioner, Mumbai
10:30 — 10:45	Discussion	
10:45 — 11:30	Eviction or Development: Lessons from Mumbai	Sundar Burra SPARC, Mumbai, India
11:30 — 11:45	Discussion	
11:45 — 1:00	Lunch	
1:00 — 1:30	Resettlement of Informal Dwellers: The Calcutta Experience	Asim Barman Municipal Commissioner The Calcutta Municipal Corporation, India
1:30 — 2:00	Rationalizing Development Needs and Resettlement of Informal Dwellers	Biswatosh Sarkar Superintending Engineer Irrigation and Waterways Directorate, Calcutta, India
2:00 — 2:30	Discussion	

**Session IV:
Essential Requirements for Informal Settlements —
Suggestions from Field Practitioners and Policymakers**

Rapporteur: Pramod Agrawal, Consultant

2:30 – 3:15	Group Discussions on: <ul style="list-style-type: none">• Policy, Financial, and Legal Constraints: Challenges Addressing MDB Policy Requirements and DMC Requirements• Methods: What is the Bottom Line — Eviction or Assistance?• Developing Partnerships — Working with Governments	
3:15 – 3:30	Tea Break	
3:30 – 4:30	Group Presentations	
4:30 – 5:00	Plenary Discussion	
5:00 – 5:10	Closing Remarks	Anita Kelles-Viitanen Manager, Social Development Division, ADB

Attachment B
List of Participants

India

1. Mr. Biswatosh Sarkar
Superintending Engineer
Irrigation and Waterways Directorate, Calcutta
2. Mr. Asim Barman
Municipal Commissioner
The Calcutta Municipal Corporation
3. Mr. Urvinder Madan
Project Director
Mumbai Urban Transport Project
4. Mr. Gautam Chatterji
Additional Municipal Commissioner
Mumbai Municipal Commission
5. Mr. Sundar Burra
Adviser
Society for the Promotion of Area Resource Centres (SPARC)

Philippines

1. Dr. Karina Constantino-David
University of the Philippines
2. Atty. Miriam Corazon E. Quizon
Executive Director
Philippine Undertaking for Social Housing (PUSH)
3. Ms. Ma. Anna de Rosas-Ignacio
Ex – Partnership of Philippine Support Service Agencies (PHILSSA)
4. Ms. Annie de Leon
Partnership of Philippine Support Service Agencies (PHILSSA)
5. Dr. Anna Marie A. Karaos
Executive Director
Institute on Church and Social Issues (ICSI)
6. Dr. Emma Porio
Professor & Chair
Department of Sociology and Anthropology
Ateneo de Manila University

7. Dr. Mary Racelis
Director
Institute of Philippine Culture
Ateneo de Manila University
8. Ma. Luisa A. Zuniga
Operations Director – Asia
Global Works
9. Ms. Bingle B. Gutierrez
Executive Director
Pasig River Rehabilitation Commission (PRRC)
10. Ms. Ruchel Marie Roque
Project Development Officer
Pasig River Rehabilitation Commission (PRRC)
11. Ms. Elsie Trinidad
Officer-in-Charge
Resettlement & Development Service Department
National Housing Authority (NHA)
12. Ms. Rosita Leodones
Division Manager – National Capital Region
National Housing Authority (NHA)
13. Mr. Teodoro Anana
Assistant Coordinator
Urban Poor Associates (UPA)
14. Ms. Anna Gonzales
Property Solutions

Others

1. Mr. Warren Waters
South Asia Resettlement Coordinator
South Asia Social Development Unit
The World Bank
2. Mr. Gerard Howe
Social Development Adviser
Department of International Development (DFID), India
3. Pramod Agrawal
Consultant

Attachment C

Summary of Presentations and Discussion

Day 1, 25 July 2000

Session I: Urban Resettlement Perspectives, Strategies, and Approaches

1. Issues on Informal Dwellers

(Anita Kelles-Viitanen, Manager, Social Development Division, ADB)

ADB's policy on Involuntary Resettlement requires that in an ADB funded project, people that would be affected by displacement should be at least as well off after the ADB intervention as without it. The Policy also specifies that the absence of formal legal title to land by some affected groups should not be a bar to compensation. However, the implementation of the Policy in urban development projects causing displacement of informal settlers has presented following major challenges.

- National legislations often do not recognize the rights to compensation for lost assets to informal dwellers and other vulnerable groups such as tenants and indigenous groups presenting a challenge to bridge the gaps between the local legislation and the objectives of the ADB's policy.
- Uncertain property rights and legal titles in most cities present serious challenge in preventing fraudulent claims by those not affected by the projects and other vested interest groups.
- Displacement of informal settlers from their present locations, that provide them unique opportunities for employment in the proximity to their residence and affordable housing, and a place for residence to new migrants poses a challenge in formulating urban resettlement strategies for sustainable development and restoration of incomes.
- Need for an effective public consultation and participation in the planning and development of resettlement strategies.

The speaker gave project example from Calcutta where the lack of the resettlement policy recognizing the entitlements to informal dwellers and public consultation has led to unrest and confrontation between the project authorities and the project affected informal settlers. In contrast, the Urban Improvement Project in the Naga City, Philippines proved successful due to the equal partnership developed between the project authorities, affected urban poor, allied NGOs and private landowners; and supporting legislations recognizing the rights and entitlements of informal dwellers and landowners.

2. Lessons from the World Bank Experiences

(Warren Waters, Resettlement Coordinator, SASSD, World Bank)

The speaker provided examples of two projects: Bombay Sewerage Improvement Project in India and the Dacca Urban Transport Project in Bangladesh whereby focus group discussions and needs assessment during the initial stages of the projects lead to modifications in design and in minimizing adverse impacts on the people. Both the projects

recognized the usufruct rights and the rights and entitlements of squatters and wage earners. The speaker however, informed that participation by NGO groups in the Dacca project has not been successful so far. For successful implementation of the Dacca Urban Transport Project effective participation of NGO group, land titling providing security of tenure to affected informal settlers and the landowners, institutional building and management, and an effective monitoring process are essential.

In the 'pre-workshop' presentation on the 'Squatters and Encroachers', the speaker differentiated between the three categories of squatters and encroachers based on the length of occupancy and legitimacy of their claims, and explained that the Bank's policy recognizes the rights of those with longstanding or ancestral claims, but excludes those invading project areas opportunistically from any claims on compensation. Bank's policy explicitly states that lack of legal titles cannot disqualify PAPs from compensation (or 'assistance') and requires that all project-affected people who are displaced in the projects it supports be assisted in replacing their assets and restoring their standards of living. In accordance with the provisions of the policy all project affected people with no legal rights to the land are entitled to compensation, or assistance, for their lost assets (structures, crops, etc.) in amounts sufficient to replace affected assets, and for restoration of incomes and living standards, with some exceptions including: (i) non-vulnerable landowners encroaching upon adjoining public land, (ii) mobile vendors and pavement dwellers, and (iii) those occupy public land temporarily with permission of the authorities and with a documented conditions that the area would be vacated whenever required without any compensation or other assistance. The policy however, does not require payment of compensation for affected land if there is no provision for such in the borrower's legal or regulatory framework. The speaker also clarified that the commitment to the policy provisions is also derived from its orientation to reducing poverty and treating resettlement as an entry point for sustainable development.

Discussion

During the discussion session the participants stressed that consultative process should form an integral part of project planning and design and that the mutual suspicion between the government agencies and NGO groups should give way to the principle of partnership. Some participants pointed out that some government groups treat NGOs as contractors 'hired' to deal exclusively with issues such as public consultation and community participation with little or no role in policy formulation, planning and design of projects. The limited role by NGOs in resettlement planning may also be due to the restrictive and rigid land acquisition laws and procedures that lie entirely within the domain of government agencies. Participants from India citing the example of the Bombay Urban Transport Project highlighted full involvement of NGO, community and private sector in all aspects of project planning and implementation, including the formulation of resettlement policy. The participants stressed that for achievement of project objectives it is essential to build partnership between government agencies, NGOs, community and private sector. Political motives must also be recognized and transparency is the key to institution building and good governance.

3. Lessons from ADB

(Graham Jackson, Senior Project Engineer, ADB)

The Calcutta Environmental Improvement Project consisting of canal rehabilitation, and possibly treatment plants / pumping stations aims for sustainable improvement to the environment of the city with an estimated cost of \$ 400 million. The canal rehabilitation component of the project is likely to impact about 14,000 persons, most of them informal

dwellers along the canals. Drawing lessons from the project, the speaker explained that the urban resettlement problems and delays in preparation of resettlement plan in the project are caused due to the: (i) lack of experience and awareness of the ADB's policy objectives and provisions in the government and ADB staff, leading to the underestimation of the nature and scale of the problem and resource needs; (ii) insufficient time for lengthy land acquisition process, public consultation and level of consensus required, and for preparation of the resettlement plan to the level of details required by the policy and its submission by appraisal, and (iii) incompatibility of ADB's internal project process cycle and the time and resources required for project preparation.

4. Legal Issues, ADB Policy, and DMC Legislation – Do Informal Dwellers Have Rights? (Arjun Goswami, Counsel, Office of the General Counsel, ADB)

Both, the ADB's Policy on Involuntary Resettlement and World Bank's OD 4.30 state that the absence of legal title to land should not bar any project affected person to compensation for lost assets. World Bank's Draft Operational Policy 4.12 is very explicit in specifying that the displaced persons without formal legal rights to land occupying the area as of the cut-off date are not entitled to compensation for loss of land but are entitled to compensation for loss of assets other than land, in particular to structures and crops. Further, this group of persons is also entitled to resettlement assistance in lieu of compensation for land. Although the ADB's policy does not specify the scale and amount of compensation to illegal dwellers, its general principles do provide an avenue for dialogue between the ADB and government agencies to find ways and means for resolving entitlements and compensation issues. The speaker also stressed that various public international laws such as Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) G. A. res 34/180 and International Covenant on Economic Social and Cultural Rights, GA res 2200A that entered into force 3 January 1976 provide for the rights of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions. Various national and international laws, together with poverty reduction objectives of various sovereign states ensure vulnerable groups for entitlements to compensation for lost assets and assistance for restoration of incomes and living standards. The speaker also highlighted the trend of positive changes in the domestic laws in India in recognizing the rights and entitlements of informal project affected people.

Discussion

Some participants raised the issue of whether affected informal dwellers doing business within the project area but living outside the area should be entitled to any compensation for the loss of land and businesses due to displacement. It was clarified that in accordance with the resettlement policies of both the World Bank and ADB, all persons affected by a project including those without formal legal title for land, are entitled to compensation for their lost assets irrespective of their income levels. Additional rehabilitation assistance for income restoration may be however, limited to only the vulnerable groups. Discussion also focused on the incompatibility of time-line project processes, especially in the case of ADB funded projects, and preparation of resettlement plans and policies through consultative process between key stakeholders. ADB is continuously working with government agencies and NGOs to resolve such issues.

Session II: The Philippines Experience

1. Policy, Legal and Institutional Issues and Challenges on the Resettlement of Urban Informal Dwellers in the Philippines

(Karina Constantino-David, University of the Philippines)

Informal dwellers and other residents of uncontrolled settlements are heterogeneous in nature with diverse social and economic background with equally diverse needs and priorities. Therefore, the resettlement policies, entitlements and assistance to project affected informal dwellers should match their diverse needs and priorities depending upon the type and scale of impacts. Systemic causes require systemic responses. Resettlement policies should be formulated and entitlements and resettlement assistance package should be designed keeping in view the principle of replicability, consistency and sustainability. Often the policies in the project funded by the multilateral agencies tend to be too generous and cannot be replicated in projects financed out of domestic funds due to the cost implications. The speaker pointed out that the reservation of land for resettlement in the form of socializing housing zones in the Philippines is a good practice example and defines the role of government as regulator, provider and facilitator in urban resettlement.

Discussion

Participants expressed the view that the role of government as facilitator should include cost sharing, implementation and management of resettlement, and as provider making available necessary finances for urban resettlement. Participants supported the principle of a minimum resettlement assistance for informal dwellers and varying entitlements depending upon their needs and priorities as well as the type and scale of impacts in a project.

2. Informal Settlers' Perceptions and Experiences of Resettlement – Some Cases from the Philippines

(Anna Marie A. Karaos, Executive Director, Institute of Church and Social Issues)

The survey of several households in the newly completed resettlement sites at North Hill village and Pabahay 2000 reveals their perception about displacement and relocation. In general, displacement and relocation to far-off sites is unpopular. Displaced households have to go through a period of uncertainty and anxiety for a variety of reasons including the lack of information dissemination by project authorities. Information on the project and relocation schedule is provided in piece-meal fashion and need-to-know basis. Many respondents complained of relocation to resettlement sites even when the essential facilities such as water, electricity and school facilities were not fully completed. Many respondents have also expressed concern and a feeling of insecurity at the relocation site where families from different areas are settled together. The settlers to these two sites were given two options: a bigger plot with core housing and a smaller plot with completed house at resettlement sites located away from the city. Security of tenure and improved living conditions are the main reason for peoples' satisfaction, although benefits of relocation come by slow and over a longer period of time.

The survey of relocated households at Kasiglahan I, where people displaced from Pasig River are relocated, indicates that the source of income and monthly amortization remain matters of serious concern. Many households displaced from Pasig River retain their old jobs within the city and either have to spend between 10-30% of their monthly household

incomes on travel to and from city, or stay in the city with their friends and relatives and visit their families at the relocation site only on weekends. To meet the high transport cost, many households either borrow from their friends and neighbors or cut down their household expenditure on other essentials such as education and food. The relocation to these far-off sites has therefore, resulted in an overall decline in the disposable households income at least in the short-term. Although the rents charged currently by the government are affordable, many respondents are concerned about the proposed higher amortization rates for their plot and house provided at the relocation site. Lack of employment opportunities in the vicinity of the relocation sites remain the major source of dissatisfaction among the settlers, some of whom have left their units to move back to the city in order to keep their jobs and to avoid daily long travels. The speaker hoped that the feedback from the relocated households would help government authorities to formulate more realistic resettlement strategies in the future.

Discussion

Participants expressed concern over the anxiety and hardships that the relocated households in the surveyed resettlement sites are going through and suggested similar studies on some older resettlement sites developed in the past. Potential costs and benefits to relocated households, including tangible losses and intangible benefits, need to be considered when formulating resettlement strategies and for deciding on the location of resettlement sites. Participants also suggested that a continuous flow of information between the authorities and affected households and post relocation counseling of households as well as sharing of information between the communities would go a long way in building the confidence and social capital among the relocated families. In view of the lack of employment opportunities in the vicinity of relocation sites and the fact that such sites cannot offer opportunities and public facilities for higher education to that are available in the city, some participants recommended that the authorities should seriously consider providing relocation alternatives such as in-situ improvement or within-city relocation to informal dwellers.

3. Resettlement Planning for the Pasig River Rehabilitation Project

(Bingle B. Gutierrez, Executive Director, Pasig River Rehabilitation Commission, Philippines)

Pasig river and its numerous tributaries have historical, cultural and socio-economic significance in the Matro Manila. The river and its tributaries are however, heavily polluted by domestic sewage (60%), industrial waste (35%) and solid waste (5%). Establishment of Environmental Preservation Areas (EPAs) is an important policy component of the Pasig River Environmental Management and Rehabilitation Sector Development Program. The establishment of the 10m EPAs along all major rivers and esteros in Metro Manila is likely to result in the displacement of about 60,000 informal households. For the Pasig River Rehabilitation Project that is to be partially funded by the ADB, the establishment of 10, EPAs along both banks of the river will affect about 10,000 informal households. About 63% of these are owners/co-owners of affected structures, 23% are tenants and the remaining 14% live without paying any rent. Most of the affected households are settled at the present location due to the family ties, proximity to work and because of affordable housing the present location provides.

The speaker explained that the resettlement policy in the project is developed with an objective of providing long-term sustainable solution to the problem of informal settlers and in consultation with the affected community. The major thrust of the resettlement policy is to relocate affected households to one of the 5 resettlement sites, one of which lies within the Metro-Manila. The entitlements for the affected households include; (i) a fully developed plot

of average 30 sq.m. area and completed unit of 20 sq.m. area on cost recovery basis; (ii) transport assistance for relocation, and for travel to work and schools for eligible household members for one year; (iii) training in vocational skills, micro-credit facilities for small business development and job placement assistance under the livelihood programs; and (iv) food assistance for 3 days during relocation. Additional food assistance is also provided to those undergoing training. Affected households not willing to opt for relocation to resettlement sites are given 3-days food assistance, transport assistance to shift their personal belongings out of the province, and one-way ticket to each family member to outside the Luzon Province up to 80 km. from Metro-Manila. The repayment scheme for allocated developed plot and house includes rent for the first five years to be counted as equity, mortgage with amortization at 9% for the 6-15 year period, and amortization at 16% for the remaining 15-year period (16-30 years). Payment of rent can be deferred for families with very low-income.

Discussion

In response to the question from the participants during the discussion session, the speaker explained that the NGOs are represented in various committees and that the project has well defined grievance redress procedures. Affected households are represented in the Housing and Resettlement committee of PRRC. Due to the limitations of land availability, land ownership and affordability, only a few units were made available in the resettlement site / medium-rise building (MRB) within the city. The MRB was the first to be fully occupied among the five resettlement sites. To prevent re-occupancy of the cleared EPAs, the areas are documented and handed over to the Local Government Units (LGUs) for policing.

Day 2, 26 July 2000

Session III: The Indian Experience

1. Mumbai Urban Transport Project

(U.P.S. Madan, Project Director, Mumbai Urban Transport Project, Mumbai Metropolitan Development Authority, India)

The objectives of the proposed Mumbai Urban Transport Project (MUTP) include maximization of existing capacity utilization and further expansion of the rail and road transport systems. Specific strategies include construction of overhead bridges, creating new corridors and east-west links, and better demand management for road transport system; and clearance of safety zones from slums and squatters and increasing the capacity of the present links for the rail transport system. The project is likely to affect approximately 30,000 households. The Phase I of the project will result in the displacement of a total of 19,000 households comprising of 14,350 hh from rail related and the remaining 4,650 hh from road related projects.

The proposed Resettlement & Rehabilitation (R&R) policy of the project provides for compensation for lost assets at replacement cost and security of tenure to all the PAPs including resident owners, non-residents owners, tenants, sub-tenants and squatters. The main feature of the policy is that all those staying within the project as of the cut-off date (established as the date of the baseline survey) are eligible for compensation and rehabilitation entitlements. The PAPs are provided with the options between a developed plot of 275 sq.ft. area plus compensation at replacement cost for lost structure and a free tenement of 225 sq.ft. area. Proposed tenements in 4 to 7 storey blocks are proposed to be located within 5 km distance from the present location within the city area, thereby maintaining access to job opportunities and existing public facilities. Given the housing situation in a metropolis like Mumbai, everyone opted for tenements. The speaker also explained that every PAP is also entitled to monetary compensation comprising a lump sum equivalent to one-year income in case of permanent loss of source of livelihood, and a lump sum compensation for extra travel due to relocation. The project authorities have devised unique and innovative approach to involve private sector in the rehabilitation of the PAPs through Transferable Development Rights (TDR), purchase of readymade tenements from Housing Board, and construction of tenements through contractors on plots obtained from Bombay Municipal Corporation and the Government of Maharashtra. R&R policy formulation, preparation of baseline survey and Rehabilitation Action Plan, and actual rehabilitation is carried out by active participation by NGOs and the community. In a short span of three months about 1700 PAPs have already been settled in permanent tenements and another 1900 PAPs in transit quarters to make way for clearance of safety zones.

Discussion

The participants widely acclaimed the very progressive R&R policy and the innovative approach adopted for rehabilitation of the slum dwellers in the project. In response to some questions from the floor, the speaker explained that the two-phased approach for rehabilitation of the PAPs was necessary in order not to hold up civil works and in view of the unfortunate eviction actions taken by the railway authorities even when the project authorities were engaged in consultation with the community. In most cases the locations of the proposed tenements are within 1-2 km from present location thereby ensuring access to existing jobs. The speaker also informed the participants that the NGO group will be responsible for carrying out monitoring of the R&R implementation.

2. Mumbai's Approach to Resettlement of Informal Dwellers – Emerging Challenges (Gautam Chatterji, Additional Municipal Commissioner, Mumbai, India)

The rapid pace of urbanization in Mumbai has resulted in currently more than 50% of about 10 mil population living in over 2,500 uncontrolled settlements characterized by unhygienic living conditions. The housing condition in Mumbai has steadily deteriorated since 1970's due to Urban Land Ceiling and Rent Control Acts enacted in the 1970's limiting the supply of land and other resources in the housing market and resulting in declining housing conditions, especially for the low-income groups, and forcing the new migrants to the slum settlements that mushroomed in different parts of the city. These settlements however, provide a low-cost, affordable self-help housing in proximity to the employment opportunities, and public facilities that the formal private and public sectors were unable to provide. The Government's response to address the problem of slum and squatter settlements has evolved over a period of time from demolition and eradication of informal settlements in the 1970's to the provision of civic amenities up to the mid-1980's, and to the provision of 30 year lease at nominal lease rent and upgrading of civic amenities on the squatter settlements in the 1980's. The pragmatic approach provided much needed security of tenure to squatters but the living conditions remained unhygienic. Due to the very high density in these settlements, in-situ upgrading together with security of tenure in the early 1990's had only limited success.

Learning from the past experiences, the Government of Maharashtra recently introduced an innovative approach of using land as a resource and a catalyst for mobilization of private sector resources for the rehabilitation of slum dwellers. The GOM has formulated a comprehensive slum rehabilitation program with enabling environment through necessary statutory amendments and creation of an autonomous Slum Rehabilitation Authority (SRA). The main feature of the slum rehabilitation scheme is the development of multi-storied tenements for the slum dwellers by private sector (promoters) on the existing slum area or in the vicinity, thereby releasing the remaining land for other development. Each affected slum dweller gets a free self-contained tenement unit of 225 sq.ft. area. The incentive for the promoter is provided in the form of higher Floor Space Index (the ratio of built-up area to the plot area) that allows promoter to cover the cost of construction of tenements as well as the development of the sub-divided saleable plot at some profit. The promoter is also allowed to sell the Equivalent FSI at market rates for use at other locations. Such Transferable Development Rights (TDR) has enabled participation by private sector in slum rehabilitation schemes. The strategy is being used very effectively in the Mumbai Urban Transport Project.

3. Eviction or Development: Lessons from Mumbai

(Sundar Burra, Society for the Promotion of Area Resource Centers, SPARC, Mumbai, India)

Suburban railway system is crucial for the daily functions for the city of Mumbai, a metropolis of about 11 mil population. However, the utilization of the present capacity of the railway system and its further expansion is severely constrained by the large number of squatter households living along the railway tracks for the past 20 years or more. These settlements pose great safety risks to the squatter population in general and to the children in particular. The slum settlements along the railway tracks lack basic amenities such as water, sanitation and electricity. However, the State Government and the Mumbai Municipal Corporation is unable to upgrade these settlements without 'no objection' from the railway authorities, which in turn, is unwilling to provide such permission lest it may be construed as providing tacit acceptance of the legitimacy to unauthorized settlements on its land.

Kanjur Marg voluntary resettlement project is a community-based approach to the problem of slum dwellers whereby the alliance between the community, NGOs and local authorities resulted in the low-cost, participatory approach to the relocation of 900 families to the temporary resettlement on the nearby government land and clearance of the railway land for expansion of the railway system, as part of the Mumbai Urban Transport Project (MUTP). Government of Maharashtra and other government agencies formed an equal partnership with the NGOs including SPARC, National Slum Dwellers' Federation (NSDF) and Mahila Milan (MM) to work together for R&R policy formulation and project preparation. For the Kanjur Marg project, SPARC/NSDF worked with the community for project preparation including baseline survey, relocation strategies and mobilization of local resources for construction of houses and shifting to the relocation site. The community mobilized its own savings to obtain loan from Urban Development Corporation to cover the cost of temporary accommodation until such times that the permanent housing is ready under the MUTP at the same location. The decision on relocation to temporary housing, including the design of the relocation site and unit size was taken by the community members, with government agencies providing supportive facilities and basic amenities and playing a role of facilitator. Women played a very constructive and important role in organizing the community resources and taking development initiatives. The Kanjur Marg Voluntary Resettlement Project demonstrates that with a favorable policy environment, women-centered community participation, equal partnership between the NGOs and government agencies and alliance between the key stakeholders can address the complex problem of urban resettlement effectively.

Discussion

In response to the questions the speakers explained that with a progressive R&R policy and an effective alliance between the government/NGO and 'slumlords' the project was able to neutralize vested interests of various groups. On the question of entitlements to the well-to-do squatter families and affected businesses, the speakers explained that the entitlements are based on the type and scale of impacts irrespective of the income levels. However, additional assistance for income rehabilitation could only be directed to vulnerable groups. Since the states work rather independently, the government/NGO alliance as demonstrated in the Kanjur Marg Project is not replicated in the same form in other states. However, understanding on the partnership with NGOs and private sector persists in most places. For effective partnership to develop, it is essential to have an equally effective legislation and enabling environment. Government of India is currently in the process of formulating the national slum rehabilitation policy built around the principle of partnership. Recently Mumbai has passed the law that entitles all the squatter families, registered as of the cut-off date in 1995, to permanent tenure security and that the GOM provided permanent housing to many squatter households under the Global Tenure Security Program. SPARC, NSDF and Mahila Milan (MM) have also been forming international network with other NGOs. In recognition of the community development work Mr. Jockin Arputham of National Slum Federation (NSDF) has been awarded the prestigious Ramon Magsaysay Award.

4. Resettlement of Informal Dwellers: The Calcutta Experience

(Asim Barman, Municipal Commissioner, The Calcutta Municipal Corporation, India)

Calcutta with its vast hinterland extending over the eastern and northeastern states was the dominant capital market and economic center until the mid-1940's attracting a steady inflow of migrants from adjoining states. With the independence and shifting of the capital to New Delhi, together with the emergence of Mumbai as the major economic center the economic growth has declined but the city's population has continued to swell to over 12 mil

now. Steady flow of migrant population and refugees from Bangladesh has resulted in the congestion of developed area and proliferation of uncontrolled settlement along the canals and in small pockets interspersed with developed areas. The major initiatives the government took to address the slum problems, estimated to be about 30% of the population of Calcutta, include enactment of Calcutta Thikka Tenancy Act in 1981 to bring all the slum dwellers under its control, introduction of 'bustee' services by providing community access to public services, and starting Calcutta Urban Development Programs (CUDP) aimed to improve public services in squatter settlements. With the completion of CUDP in 1992, ODA assisted Calcutta Slum Improvement Programs (CSIP) was initiated. The focus of CSIP is to promote in-situ improvement together with the provision of tenure security. The main feature of the CSIP is the integration of socio-economic component into the program with an aim to provide income generation opportunities under the Small Scale Entrepreneurs Program (SSEP), and preventive health care facility. The experience from various projects suggests that in projects, such as in Rambagan, with active participation by NGOs and the community a strong sense of ownership prevailed and slum dwellers were able to improve their living environment and income levels significantly. In most other cases where the government authorities tried to improve living conditions with very little or no participation by the community, the projects have not been very successful. Due to the physical constraints to urban growth and scarcity of available land in-situ improvements appears to be the only feasible approach to the problem of slum improvement. Active participation by community and NGOs as well as integration of income generation activities is critical to the success of the program.

5. Rationalizing Development Needs and Resettlement of Informal Dwellers

(Biswatosh Sarkar, Superintending Engineer, Irrigation and Waterways Directorate, Calcutta)

The proliferation of informal settlements in Calcutta has been, by and large, around the water bodies with major growth occurring along the drainage channels that are used for storm water run-offs. The problem of informal settlements should not be seen as independent of the problem of infrastructure and overall development of the city. Therefore, to address the problem of informal settlements, an integrated development approach to rationalize development needs would be necessary. Major components of the suggested integrated approach will include rationalizing engineering design requirements, rationalizing needs and priorities of the informal dwellers that live along the canals and waterways in order to minimize social costs and maximize the potential benefits, and keeping in view the overall development objectives for the benefits of the larger society.

Discussion

In response to the questions on the participation by NGOs and the community in the Calcutta Environmental Improvement Project the speaker explained that the process of consultation with the community through labor groups is ongoing and the consultants appointed for preparation of resettlement plan is assisting in getting feedback from the community. Due to the time-line constraints presented by the ADB's project process the participation by the community in the project preparation activities is likely to be very limited. Participants suggested that the project process should be flexible to ensure public participation and to encourage consultative process in project planning and design.

Session IV: Group Presentation

1. Group I:

Group I comprising participants mainly from India fully endorsed the objectives of the ADB's Involuntary Resettlement Policy and stressed that (Indian) national laws and regulations do not present any conflict in achieving the above objectives. The Group also emphasized that resettlement policy must provide a better living environment and security of tenure to project affected persons and that any relocation to resettlement sites must ensure opportunities for sources of incomes in proximity to the place of residence. Major feature of the group's recommendations was that project timeline must be flexible to ensure emergence of community organizations reflecting people's perception and choices and that appraisal of a project should not take place until community organizations are in place and are effective.

Group II:

Group II comprising mainly the participants from the Philippines stressed that because of the potential implication of a resettlement policy, it should aim for consistency and sustainability. Resettlement packages and entitlements should be designed to benefit all the urban poor and vulnerable groups and not just the informal dwellers. In any project the key stakeholders must be identified and their roles defined at the initial stages. Community based organizations should be organized to mobilize their resources and to participate in decision making on key issues such as selection of resettlement site while NGOs and other support agencies should play strategic role in urban resettlement by assisting communities in the creation of various resettlement options and in facilitating decision making. Local Government Units on the other hand should help in establishing open and participatory processes, and the national government agencies should provide technical support and an overall regulatory environment through legislation and policy framework. The members of the group also emphasized the need for necessary support to enable stakeholders play their defined roles. It was suggested that multilateral agencies set up a separate fund for social preparation accessible to community-based organizations for public consultation and participatory process to emerge and for hiring of NGOs, where necessary.